



**PARLIAMENT**  
OF THE REPUBLIC OF SOUTH AFRICA

**NATIONAL COUNCIL OF PROVINCES**  
**OFFICE OF THE CHAIRPERSON**

PO Box 15 Cape Town 8000 Republic of South Africa  
Tel: 27 (21) 403 2321/3126 Fax: 27 (21) 461 9460  
[www.parliament.gov.za](http://www.parliament.gov.za)

**OPENING AND WELCOME REMARKS BY THE CHAIRPERSON OF  
THE NATIONAL COUNCIL OF PROVINCES, HONOURABLE N. A.  
MASONDO, ON THE TOPIC '*ADVANCING OUR COLLECTIVE EFFORT  
TO FOSTER ACCOUNTABLE AND FINANCIALLY VIABLE  
MUNICIPALITIES*' ON THE OCCASION OF THE 2022 LOCAL  
GOVERNMENT WEEK**

**VENUE:** CAPE TOWN **DATE:** 13 SEPTEMBER 2022 **TIME:** 10H00

Programme Director, the Deputy Chairperson of the National Council of Provinces, Honourable Sylvia Lucas

Minister of Cooperative Governance and Traditional Affairs, Honourable Nkosazana Dlamini-Zuma

President of the South African Local Government Association (SALGA), Councillor Bheki Stofile

NCOP House Chairpersons, Honourable Winnie Ngwenya and Honourable Jomo Nyambi

NCOP Chief Whip, Honourable Seiso Mohai

Honourable Members of Parliament and Provincial Legislatures

Chairpersons of Committees and Related Structures

Members of the SALGA National Executive Committee and leaders of our municipalities

Auditor General of South Africa, Ms Tsakani Maluleke

Esteemed panellists and participants  
Ladies and gentlemen

## **1. INTRODUCTION**

Programme Director, allow me to begin by extending a word of appreciation for the opportunity to make the opening and welcome remarks on this auspicious occasion, the 2022 Local Government Week.

The Local Government Week, which is hosted by the National Council of Provinces in partnership with the South African Local Government Association, was launched in the year 2012. It was intended to provide a platform for the sharing of experiences and best practices, and as an opportunity for a national reflection on issues affecting local government. The overall mission was to deliberate on the ways and means to improve the lives of the people, through taking the appropriate steps to strengthen local governance to enhance the provision of public goods and services.

The last chapter of the Local Government Week, which took place in September 2020, focused on *Ensuring Capable and Financially Sound Municipalities*. As you would be aware, we could not have the Local Government Week in 2021 due to the local government elections. However, we continued to support municipalities through various committee activities and the Provincial Week this year, which was held under the theme *Assessing the State Capacity to Respond to the Needs of Communities*.

If there is any significant message deposited by the electorate during the last local government elections, on the 1<sup>st</sup> of November 2021, it is that public representatives must work harder to ensure that local government works for all. And that we must ensure that all the municipalities serve as truly democratic local structures that are geared to promote social and economic development.

## **2. FOSTERING ACCOUNTABLE AND FINANCIALLY VIABLE MUNICIPALITIES**

Programme Director, the people expect municipalities to deliver on their constitutional obligations. The people's expectations are shaped by the Constitution of the Republic which enjoins each municipality to strive, within its financial and administrative capacity, to fulfil the objects of local government that it sets out. These include ensuring the provision of services to communities in a sustainable manner and encouraging the involvement of communities and community organisations in the matters of local government.

It seems obvious, therefore, that the failure by a municipality to develop the necessary capacity to undertake its responsibilities is tantamount to a breach of this constitutional injunction.

It is true that government at large has made earnest attempts to assist the local sphere of government to improve governance and accountability.

However, there are instances where such efforts have been met with regression in terms of performance by some municipalities whilst others have demonstrated some improvements and better performance.

The Auditor-General has reported that only 61 municipalities had a better audit outcome and 56 had worse audit outcomes in the 2020/2021 municipal financial year. Clearly, this is an indication of some challenges on the part of some municipalities to uphold the expected service standards.

The Municipal Audit Results for the 2020/2021 financial year reveal that the failure to maintain basic financial and performance management disciplines, the failure to safeguard and maintain municipal infrastructure, transgressions, non-performance, fraud and financial loss, still persist in a number of our municipalities. Of course, we are also aware of municipalities that continue to set a good example. We acknowledge and salute such efforts.

With the benefit of hindsight, we accept that in designing our local government structures we made certain assumptions which we ought to revisit. These include, for example, the assumption that municipalities would have the capacity to raise revenue to fund their services. We know now that some of our municipalities do not have a meaningful revenue base. That some have no tax base at all. Yet, they still need resources to fulfil their constitutional responsibilities towards citizens, irrespective of the circumstances.

Therefore, Programme Director, in fostering accountable and financially viable municipalities we should take into account the concrete objective situation in each municipality.

### **3. THE OBJECTIVE OF THE 2022 LOCAL GOVERNMENT WEEK**

Keeping this in mind, the main objective of the 2022 Local Government Week is to deliberate on practical ways to help municipalities to improve performance, maintain integrity, ensure transparency and accountability, which are some of the issues that have been highlighted by the Auditor-General. As the NCOP, we call upon the Provincial Legislatures, the national departments of Co-operative Governance and Finance, the Municipal Councils and all the relevant partners, to demonstrate their practical support to municipalities to improve their capacity to serve the people.

Progressively, we would like to build on the advances of the 2020 Local Government Week and the various interventions that were initiated to ensure a coherent oversight approach and targeted interventions that are geared towards building a functional and effective local sphere of government. A sphere that is meant to advance the country's developmental agenda by delivering quality services to communities.

Through the rallying power of the NCOP, in the intervening period we have been able to bring together the public representatives from the three spheres of government, and experts, to deepen our understanding of the

theory and practice of cooperative governance and intergovernmental relations, as well as the budget and fiscal oversight matters through the workshops we organised. And as I have mentioned, we also worked in each of the nine provinces focusing in particular on state capacity to respond to the needs of the communities.

This year's Local Government Week also builds on several injunctions that were made by the Minister of Co-operative Governance and Traditional Affairs on the professionalisation of the local sphere of government, including the need to amend the Local Government: Municipal Systems Act 32 of 2000 to provide for the core principles, mechanisms and processes that are necessary to enable municipalities to move gradually towards the social and economic upliftment of local communities. To this end, it is our view that the recent signing into law of the Local Government: Municipal Systems Amendment Act, no. 3 of 2022, will enable municipalities to function more effectively and efficiently.

The Systems Amendment Act provides, among other things, for procedures and competency criteria for the appointment of municipal managers and other senior managers and the consequences of appointments made in contravention of the Act. It further provides timeframes within which performance agreements of municipal managers and managers directly accountable to municipal managers must be concluded. It also makes further provisions for evaluating the performance of municipal managers and managers directly accountable to municipal managers.

Together with the Local Government: Municipal Structures Amendment Act 3 of 2021, which came into effect last November, which provides among other things for the establishment of the municipal public accounts committees and a Code of Conduct for Councillors, these interventions constitute significant attempts to improve the capacity of municipalities to fulfil their constitutional duties. They provide an important setting for the implementation of the District Development Model (DDM), which seeks to facilitate coordination among the different spheres of government, communities and stakeholders, in order to improve service delivery outcomes. The DDM presents us with a great promise of fundamental change towards opening a new chapter for development.

#### **4. IN CONCLUSION**

In conclusion, we have a collective duty to pull all the stops to ensure that the local sphere of government receives the required support and that it has the necessary capacity to carry out its functions. This must include the empowerment of the people in order to help influence and ensure the kind of development they would like to see in their respective communities.

Programme Director, I would like therefore to open this gathering and welcome everybody to the 2022 Local Government Week. We are grateful to the new leadership of SALGA for embracing this programme and to all the other participants for responding to our invitations.

As the theme of this year's summit suggests, we have converged in order to *Advance our Collective Effort to Enhance Oversight and Accountability in the Local Sphere of Government.*

Personally, I am looking forward to the interactive and thought-provoking deliberations with solutions and clear actions to strengthen local government.

I thank you!!